

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Balance Sheet as at 30 June 2021
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

	Reviewed	Audited
	30 June 2021	31 December 2020
ASSETS		
Current Assets		
Cash and Cash Equivalents	19.563	13.293
Financial Investments	887	131
Trade Receivables		
-Related Parties	263	129
-Third Parties	7.175	4.543
Other Receivables		
-Related Parties	105	45
-Third Parties	7.897	8.037
Derivative Financial Instruments	802	14
Inventories	2.373	2.236
Prepaid Expenses	1.109	1.034
Current Income Tax Assets	298	280
Other Current Assets	853	917
TOTAL CURRENT ASSETS	41.325	30.659
Non-Current Assets		
Financial Investments	481	548
Other Receivables		
-Third Parties	8.983	8.809
Investments Accounted by Using Equity Method	1.625	1.881
Property and Equipment	37.738	30.431
Right of Use Assets	130.764	108.465
Intangible Assets		
- Other Intangible Assets	757	653
- Goodwill	108	91
Prepaid Expenses	6.787	5.862
Deferred Tax Assets	4	3
TOTAL NON-CURRENT ASSETS	187.247	156.743
TOTAL ASSETS	228.572	187.402

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	Reviewed	Audited
	30 June 2021	31 December 2020
LIABILITIES		
Current Liabilities		
Short Term Borrowings		
-Related Parties		
-Bank Borrowings	-	101
-Third Parties		
-Bank Borrowings	12.581	11.108
Short-Term Portion of Long-Term Borrowings		
-Related Parties		
-Bank Borrowings	4.747	3.216
-Third Parties		
-Bank Borrowings	5.337	5.491
-Lease Liabilities	14.640	12.684
Other Financial Liabilities	28	126
Trade Payables		
-Related Parties	916	1.036
-Third Parties	6.606	5.286
Payables Related to Employee Benefits	838	658
Other Payables		
-Related Parties	18	-
-Third Parties	1.023	645
Derivative Financial Instruments	218	470
Deferred Income	11.050	4.511
Current Tax Provision	70	-
Short-Term Provisions		
-Provisions for Employee Benefits	168	118
-Other Provisions	77	75
Other Current Liabilities	2.344	1.854
TOTAL CURRENT LIABILITIES	60.661	47.379
Non- Current Liabilities		
Long-Term Borrowings		
-Related Parties		
-Bank Borrowings	12.728	10.288
-Third Parties		
-Bank Borrowings	11.682	9.389
-Lease Liabilities	80.566	70.317
Other Payables		
-Third Parties	735	162
Deferred Income	852	799
Long-Term Provisions		
-Provisions for Employee Benefits	1.143	984
-Other Provisions	443	359
Deferred Tax Liability	10.889	8.214
TOTAL NON-CURRENT LIABILITIES	119.038	100.512
Equity		
Share Capital	1.380	1.380
Inflation Adjustment on Share Capital	1.124	1.124
Items That Will Not Be Reclassified to Profit or Loss		
-Actuarial (Losses) on Retirement Pay Obligation	(432)	(352)
Items That Are or May Be Reclassified to Profit or Loss		
-Foreign Currency Translation Differences	36.875	29.483
-Fair Value Gains on Hedging Instruments		
Entered into for Cash Flow Hedges	(1.173)	(3.301)
-Gains/(Losses) on Remeasuring FVOCI	(7)	12
Restricted Profit Reserves	238	211
Previous Years Profit	10.918	16.533
Net Profit/(Loss) for the Period	(59)	(5.588)
Equity of the Parent	48.864	39.502
Non-Controlling Interests	9	9
TOTAL EQUITY	48.873	39.511
TOTAL LIABILITIES AND EQUITY	228.572	187.402

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Changes in Equity
For the Six-Month Period Ended 30 June 2021
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

	Reviewed	Not Reviewed	Reviewed	Not Reviewed
	1 January- 30 June 2021	1 April- 30 June 2021	1 January- 30 June 2020	1 April- 30 June 2020
<u>PROFIT OR LOSS</u>				
Revenue	31.485	18.233	21.507	6.177
Cost of Sales (-)	(27.262)	(15.285)	(21.865)	(6.855)
GROSS PROFIT/(LOSS)	4.223	2.948	(358)	(678)
General Administrative Expenses (-)	(1.044)	(555)	(739)	(308)
Marketing Expenses (-)	(2.879)	(1.573)	(2.348)	(603)
Other Operating Income	720	297	785	538
Other Operating Expenses (-)	(356)	(160)	(152)	244
OPERATING PROFIT/(LOSS) BEFORE INVESTMENT ACTIVITIES	664	957	(2.812)	(807)
Income from Investment Activities	815	443	589	348
Expenses from Investment Activities	(34)	(1)	-	-
Share of Investments' Profit Accounted by Using The Equity Method	(206)	(75)	(608)	(504)
OPERATING PROFIT/(LOSS)	1.239	1.324	(2.831)	(963)
Financial Income	688	300	335	225
Financial Expenses (-)	(2.407)	(2.333)	(1.807)	(958)
LOSS BEFORE TAX	(480)	(709)	(4.303)	(1.696)
Tax Expense	421	212	46	(538)
Current Tax Expense	(69)	(69)	(4)	-
Deferred Tax Expense	490	281	50	(538)
NET LOSS FOR THE PERIOD	(59)	(497)	(4.257)	(2.234)
Non-controlling interest	-	-	-	-
Equity holders of the parent	(59)	(497)	(4.257)	(2.234)

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For the Six-Month Period Ended 30 June 2021
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

	Reviewed	Not Reviewed	Reviewed	Not Reviewed
	1 January- 30 June 2021	1 April- 30 June 2021	1 January- 30 June 2020	1 April- 30 June 2020
<u>OTHER COMPREHENSIVE INCOME</u>				
Items That May Be Reclassified Subsequently To Profit or Loss	9.501	1.591	4.353	1.761
Currency Translation Adjustment	7.392	1.676	5.724	2.039
(Losses)/Gains on Remeasuring FVOCI	(24)	24	(33)	55
Related Tax of Remeasuring FVOCI	5	(6)	7	(11)
Fair Value Gains/(Losses) on Hedging Instruments Entered into for Cash Flow Hedges	2.618	(152)	(1.624)	(319)
Fair Value Gains/(Losses) Hedging Instruments of Investment Accounted by Using the Equity Method Entered into for Cash Flow Hedges	62	42	(87)	23
Related Tax of Other Comprehensive (Expense)/Income	(552)	7	366	(26)
Items That Will Not Be Reclassified Subsequently To Profit or Loss	(80)	(74)	(82)	(55)
Actuarial Losses on Retirement Pay Obligation	(100)	(92)	(103)	(69)
Related Tax of Other Comprehensive Income	20	18	21	14
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	9.421	1.517	4.271	1.706
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD	9.362	1.020	14	(528)

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES
Condensed Consolidated Interim Statement of Changes in Equity
For the Six-Month Period Ended 30 June 2021
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

			Items That Will Not Be Reclassified Subsequently To Profit or Loss	Items That May Be Reclassified Subsequently To Profit or Loss			Retained Earnings					
	Share Capital	Inflation Adjustment on Share Capital	Actuarial (Losses) Retirement Pay Obligation	Foreign Currency Translation Differences	Fair Value Losses on Hedging Instruments Entered Into For Cash Flow Hedges	Gains / (Losses) on Remeasuring FVOCI	Restricted Profit Reserves	Previous Years Profit	Net Profit/(Loss) for The Year	Equity Holders of the Parent	Non- controlling Interests	Total Equity
As of 1 January 2021	1.380	1.124	(352)	29.483	(3.301)	12	211	16.533	(5.588)	39.502	9	39.511
Transfers	-	-	-	-	-	-	-	(5.588)	5.588	-	-	-
Total comprehensive income	-	-	(80)	7.392	2.128	(19)	27	(27)	(59)	9.362	-	9.362
As of 30 June 2021	1.380	1.124	(432)	36.875	(1.173)	(7)	238	10.918	(59)	48.864	9	48.873

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Condensed Consolidated Interim Statement of Changes in Equity
For the Six-Month Period Ended 30 June 2021
(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

			Items That Will Not Be Reclassified Subsequently To Profit or Loss	Items That May Be Reclassified Subsequently To Profit or Loss			Retained Earnings					
Share Capital	Inflation Adjustment on Share Capital	Actuarial Losses Retirement Pay Obligation	Foreign Currency Translation Differences	Fair Value Losses on Hedging Instruments Entered Into For Cash Flow Hedges	Losses on Remeasuring FVOCI	Restricted Profit Reserves	Previous Years Profit	Net Profit/(Loss) for The Year	Equity Holders of the Parent	Non-controlling Interests	Total Equity	
As of 1 January 2020	1.380	1.124	(226)	20.757	1.017	(4)	184	12.024	4.536	40.792	3	40.795
Transfers	-	-	-	-	-	-	-	4.536	(4.536)	-	-	-
Total comprehensive income	-	-	(82)	5.724	(1.345)	(26)	27	(27)	(4.257)	14	-	14
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-	6	6
As of 30 June 2020	1.380	1.124	(308)	26.481	(328)	(30)	211	16.533	(4.257)	40.806	9	40.815

TÜRK HAVA YOLLARI ANONİM ORTAKLIĞI AND ITS SUBSIDIARIES

Condensed Consolidated Interim Statement of Cash Flows

For the Six-Month Period Ended 30 June 2021

(All amounts are expressed in Million Turkish Lira (TL) unless otherwise stated.)

	Reviewed	Reviewed
	1 January -	1 January -
	30 June 2021	30 June 2020
Net Loss for the period	(59)	(4.257)
Adjustments to Reconcile Profit / (Loss)		
Adjustments for Depreciation and Amortisation Expense	6.665	5.258
Adjustments for Provisions Related with Employee Benefits	150	120
Adjustments for Provisions for Other Accruals	3	(3)
Adjustments for Reversal of Probable Risks	48	67
Adjustments for Interest Income	(323)	(214)
Adjustments for Interest Expense	1.309	992
Adjustments For Unrealised Foreign Exchange Losses	2.064	1.844
Adjustments for Fair Value Gains on Derivative Financial Instruments	(387)	(121)
Adjustments for Undistributed Profits of Associates	206	608
Adjustments for Tax Income	(420)	(46)
Adjustments for Gains Arised From Sale of Tangible Assets	(5)	(15)
Adjustments for Losses Arised from Sale of Other Non-Current Assets	260	110
Operating Profit Before Changes in Working Capital	9.511	4.343
Increase in Trade Receivables from Related Parties	(100)	(44)
(Increase)/Decrease in Trade Receivables from Non Related Parties	(1.634)	1.743
Operations	(60)	166
Decrease/(Increase) in Other Non-Related Party Receivables Related with Operations	80	(1.175)
Adjustments for Decrease/(Increase) in Inventories	246	(258)
Adjustments for Decrease/(Increase) in Prepaid Expenses	235	(26)
(Decrease)/Increase in Trade Payables to Related Parties	(282)	626
Increase/(Decrease) in Trade Payables to Non Related Parties	311	(1.557)
Adjustments for Increase/(Decrease) in Payables Due to Employee Benefits	53	(628)
Increase in Other Operating Payables to Related Parties	18	-
Increase in Other Operating Payables to Non-Related Parties	774	78
Increase/(Decrease) in Deferred Income	5.197	(785)
Decrease in Other Assets Related with Operations	258	262
Cash Flows From Operations	14.607	2.745
Payments for Provisions Related with Employee Benefits	(24)	(37)
Income Taxes Paid	(18)	(73)
Net Cash From Operating Activities	14.565	2.635
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Cash Receipts Proceed From Sales of Property, Plant and Equipment	186	22
Cash Payments From Purchasing of Property, Plant and Equipment	(2.726)	(4.351)
Cash (Payments)/Receipts From (Purchasing)/Sales of Other Long-term	(597)	2.442
Other Cash Advances and Loans	1.610	197
Dividends Received	172	18
Interest Received	323	96
Net Cash Flows / (Used In) Investing Activities	(1.032)	(1.576)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Proceeds From Loans	12.183	7.500
Payments of Loans	(10.517)	(3.222)
Payments of Lease Liabilities	(7.508)	(4.737)
Interest Paid	(1.309)	(766)
Other Cash Outflows	(112)	(115)
Net Cash Used in Financing Activities	(7.263)	(1.340)
Net Change in Cash and Cash Equivalents	6.270	(281)
CASH AND CASH EQUIVALENTS		
AT THE BEGINNING OF THE PERIOD	13.293	12.328
CASH AND CASH EQUIVALENTS		
AT THE END OF THE PERIOD	19.563	12.047